



**RURAL IDAHO
BROADBAND INVESTMENT
PROGRAM**

Proposal Submission Guide

Fiscal Year 2007

A. Overview

Senate Bill Number 1498, enacted by the 2006 Idaho legislature, appropriated \$5 million in dedicated funds to the Department of Commerce and Labor (Department) for a new Rural Broadband Development Matching Fund (Fund). The Fund will be used to make monetary awards, on a cost reimbursement basis, to eligible applicants for rural broadband investment projects selected for funding. The maximum amount of funding available for any single project is limited to \$1,000,000.

This guide outlines the process for proposing projects. Although the information provided in a proposal does not need to be extensive, it must be sufficient, by itself, for the evaluators to understand the proposal. Proposed projects must be in the format and order specified by this guide. Proposals not following the required format and order will be deemed to be unresponsive and will not be considered for selection.

The purpose of the Fund is to provide broadband service to rural Idahoans. The Fund does not provide money for the operation or maintenance of broadband services.

This guide includes a copy of the project contract that must be executed between the Department and the applicant once a project has been selected for funding. Applicants who refuse to execute the project contract will not receive funding.

B. Schedule and Deadlines

Proposals must be mailed to the address listed below. Only mailed proposals with a postmark date on or before June 23, 2006, will be considered for funding. Mail proposals to:

Jay Engstrom
Idaho Department of Commerce and Labor
317 West Main Street
Boise, ID 83735-0620

C. Definitions. For the purposes of this program, these terms shall have the following meaning:

Broadband Service – the availability to the average residential or small-business subscriber of a transmission signal at a rate of at least two hundred and fifty-six thousand (256,000) bits per second (256 kbps) from a subscriber (upstream) and at least five hundred and twelve thousand (512,000) bits per second (512 kbps) to a subscriber (downstream).

Project – discrete activities proposed by an applicant directly related to the provision of rural broadband services to potential new subscribers.

Proposal – one or more projects submitted to the Rural Idaho Broadband Investment Program. Multiple projects can be submitted together as one proposal. However, each individual project will be evaluated and scored based upon its own merits. Applicants submitting a proposal containing more than one project must indicate whether the approval of one project in the proposal is a prerequisite to the applicant’s ability to complete any other project in the proposal.

Qualified Entity – any legal entity in good standing and authorized to conduct business in the state of Idaho as an incorporated organization, cooperative, or limited liability company organized on a for profit or not-for-profit basis; an Indian tribe or tribal organization as defined in 25 U.S.C. 450b(e) and (l); or a local unit of government.

Rural – any city or unincorporated area less than ten thousand (10,000) in population based upon the most recently published population statistics of the U.S. Bureau of the Census. Excluded from the definition of “rural” is any territory, incorporated or unincorporated, included in an urbanized area, as defined by the U.S. Bureau of the Census as of August 10, 1993.

D. Eligible Applicants

To be eligible for reimbursement from the Fund, applicants must:

- Be a qualified entity or a partnership of qualified entities.
- Have the legal capacity and authority to enter into contracts.
- Have the legal capacity and authority to own and operate the broadband service facilities they propose.

Eligible applicants shall not include individuals.

E. Eligible Projects

To be eligible for reimbursement from the Fund, eligible applicants must propose projects that provide broadband services to potential new subscribers in a rural area. Proposed projects must be in the format and order specified by this guide. Proposed projects not following the required format and order will be deemed to be unresponsive and will not be considered for selection.

Applicants must make sure that their project proposals clearly identify and document the following:

- The source, amount and availability of matching funds. If matching funds are to be provided by a third party, documentation of the third party’s commitment must be provided no later than October 1, 2006. Applicants who fail to document the

commitment of third party matching funds to the sole satisfaction of the Department will not be eligible for project funding.

- The number of potential new subscribers to be served in the project area and describe the methodology used for determining that number.
- The marketing plan to be used for advertising the availability of broadband services to potential new subscribers in the project area.
- The start-up costs, if any, to be paid for broadband services by potential new subscribers. Start-up costs include charges for equipment, one-time charges, initial set-up charges, installation charges, or any other charge to a potential new subscriber that is over and above the regular monthly subscription charge.
- The proposed project's budget.

F. Matching Contributions

Applicants must contribute a matching contribution of at least fifty percent (50%) of the total project cost. For example, if the total project cost is \$100,000, an applicant's matching contribution must be at least \$50,000. Proposals from applicants providing greater than a 50% matching contribution will receive greater weight in the evaluation process.

Applicants may use matching contributions from any source, but all matching contributions from third party sources must be guaranteed as available to the applicant no later than October 1, 2006.

Matching contributions cannot include contributions incurred by the applicant, or others on behalf of the applicant, for facilities or equipment installed, or other services rendered prior to project approval.

G. Recapture

Eligible projects from eligible applicants selected for funding must actually result in broadband services being offered to potential new subscribers. Applicants selected for funding who fail to deliver broadband services as outlined in the approved project will be required to repay to the Department all Rural Broadband Development Matching Funds that have been disbursed to the applicant.

H. Scoring Criteria

Projects will be evaluated and scored based upon the following criteria:

1. **Successful Completion of Similar Projects – Up to 400 points.** Applicants documenting, to the satisfaction of the Department, the successful completion of

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projects similar to, or more extensive than, the proposed project will be given points based upon the following table:

0 Projects	1 Project	2 Projects	3 Projects	4 or more Projects
0 points	100 points	200 points	300 points	400 points

2. **Potential New Subscribers – Up to 400 points.** Of all of the projects submitted by all eligible applicants, the single project which will serve the greatest number of potential new subscribers in a rural area will receive 400 points. Points for the remaining eligible projects will be awarded using the following formula:

Points = (A / B) x 400, where A equals the number of potential new subscribers in the project being scored, and B is the highest number of potential new subscribers of all the eligible projects from all of the eligible applicants.

3. **Cost to the Fund per Potential New Subscriber - Up to 400 points.** Each project's total cost to the Fund will be divided by the number of potential new subscribers in a rural area. The quotient of this calculation represents the cost per potential new subscriber. Of all of the projects submitted by all eligible applicants, the project with the lowest quotient will receive 400 points. Points for the remaining eligible projects will be awarded using the following formula:

Points = (C / D) x 400, where C equals the lowest cost per potential new subscriber of all the eligible proposed projects, and D is the cost per potential new subscriber of the project being scored.

4. **Affordability of Broadband Services - Up to 420 points.** Applicants committing to offer broadband services at rates not to exceed an average monthly rate of \$50 during the first year following project completion, will receive points as outlined in the table below. Applicants not willing to commit to an average monthly rate of \$50 or less for one (1) year will receive no points for this category.

Upstream/Downstream Speed in kilobits per second	Average Monthly Rate < \$30	Average Monthly Rate > or = \$30 but < \$40	Average Monthly Rate > or = \$40 but < \$50	Average Monthly Rate > or = \$50
> or = 256/512	90 points	60 points	20 points	0 points
> or = 512/512	100 points	70 points	30 points	10 points
> or = 768/768	110 points	80 points	40 points	20 points
> or = 1000/1000	120 points	90 points	50 points	30 points

For example, a project offering service of 1000/1000 kbps at an Average Monthly Rate of \$29.95 will receive the total of all the points in the Average Monthly Rate <\$30 column or 420 points, computed as follows: 90 points + 100 points + 110 points + 120 points. A project offering service of > or = 768/768 kbps at an Average Monthly Rate of \$49.95 would receive 90 points, computed as follows: 20 points + 30 points + 40 points.

5. **Free Access Points for Public Use – Up to 50 points.** The number of free broadband access points or accounts provided to public schools, public libraries, public medical clinics, public hospitals, community colleges, public universities, law enforcement agencies, and fire or ambulance stations for a minimum of 2 years will receive one (1) point for each such access point up to a maximum of 50 points.
6. **Start-up Costs to be Paid by Potential New Subscribers – Up to 400 points.** Projects proposing broadband services in a rural area without start-up costs to potential new subscribers will receive 400 points. Projects with start-up costs for 256/512 service will be awarded points based on the following formula:

Points = 400 / start-up cost.
7. **Level of Match - Up to 49 points.** Projects bearing proportionate project costs from non-Fund sources greater than 50% of the total project cost will receive one (1) point for each full percentage point above 50% up to a maximum of 49 points.
8. **Community Support – 100 points.** Projects that include a letter of support from the chief elected official of the project area (i.e. Mayor or Chair of the County Commission) will receive 100 points.
9. **Idaho Economic Advisory Council Points – Up to 800 points.** The Idaho Economic Advisory Council will review eligible projects submitted by eligible applicants and award up to 800 points to each project based on the Council's independent assessment of project merit.

I. Proposal Review and Selection Process

Proposals that have been submitted in a timely manner will go through the following process:

1. Technical Review. The Department will perform an initial technical review against the selection criteria and determine applicant and project eligibility according to the criteria listed in this guide. Proposals that do not meet both applicant and project eligibility standards in the sole discretion of the Department will not be eligible for funding.
2. Preliminary Scoring. Following the technical review, eligible projects from eligible applicants will be awarded points by the Department based upon the scoring criteria contained in this guide.
3. Submission to Idaho Economic Advisory Council. Scored projects will then be presented to the Idaho Economic Advisory Council. The Council will award its points and a final point total will be calculated for each project.

4. **Ranking and Award.** The Department will give a final priority ranking to each project with the highest number of total points first and lowest points last. The Department will send Notices of Award and begin the contracting process. Projects will be funded in the order of their priority ranking until all the funds have been obligated. All applicants that are awarded funding must execute a contract with the Department within thirty (30) days of the date of their Notice of Award. Applicants who fail to execute a contract within this time period will lose their eligibility for funding. A copy of the contract that must be executed by the applicant is included in this guide.
5. **Standby Projects.** Ranked projects meeting the eligibility and selection criteria, but not receiving an award due to a lower priority ranking may become standby projects. Standby projects may be eligible for funding should applicants with a higher priority ranking fail to timely execute a contract with the Department. The Department reserves the right, in its sole discretion, to either award or not award funding to standby projects.

J. Proposal Format

Proposals must be submitted using the following pages. Blank proposals in Microsoft Word™ document format are available at www.cl.idaho.gov.

More than one project may be submitted in a single proposal; however each project must be separate, with its own project budget and related project pages. For proposals containing multiple projects, projects without prerequisites must be numbered before those having prerequisites. Applicants may attach appendices as they feel them necessary to document or explain the proposal or its projects.

Proposal		
Qualified Entity Applicant (Attach a copy of certificate showing good standing and authority to conduct business in the state of Idaho.)		
Address		
City, State, ZIP		
Phone		
Number of projects in this proposal		
Certification As a prospective recipient of Rural Broadband Development Matching Funds, the undersigned certifies that the information provided in this proposal is correct and true; and that the undersigned has the authority to submit this proposal on behalf of the Applicant.		
Name (printed)		
Title		
Signature		
Date		

Executive Summary

Provide a brief summary of the proposal, including: its goals; the applicant's relevant background; the technology which will be used in the project(s); and other relevant summary material.

Demonstration Project 1

Applicants documenting, to the satisfaction of the Department, the successful completion of projects similar to, or more extensive than, the proposed project will be given points as described in the Proposal Guide.

Fully describe and document the demonstration project and its similarities to this proposal. Mark N/A if not applicable.

(Attach supporting documentation as Appendix DP-1)

This Area For Evaluation Use Only

Yes

No

Demonstration Project 2

Fully describe and document the demonstration project and its similarities to this proposal.
Mark N/A if not applicable.

(Attach supporting documentation as Appendix DP-2)

This Area For Evaluation Use Only

Yes

No

Demonstration Project 3

Fully describe and document the demonstration project and its similarities to this proposal.
Mark N/A if not applicable.

(Attach supporting documentation as Appendix DP-3)

This Area For Evaluation Use Only

Yes

No

Demonstration Project 4 or more

Fully describe and document the demonstration project and its similarities to this proposal. Also use this area to describe 5th, 6th, or more demonstration projects. Mark N/A if not applicable.

(Attach supporting documentation as Appendix DP-4)

This Area For Evaluation Use Only

Yes

No

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Project	Number 01		Attach any additional material as: Appendix – PN- followed by Project Number, followed by a sequential appendix number.					
Project Name								
Project Cost								
Total	Amount from Fund	Amount from Applicant	Amount from Other Source 1	Amount from Other Source 2				
This Area for Evaluation Use Only								
DP	PNS	CPPNS	ABS	FAP	SC	LM	CS	IEAC
Number of Potential New Subscribers	Describe the methodology used for determining number							
Affordability – Average monthly service rate for one year following project completion								
Upstream/ Downstream Speed in kilobits per second	Average Monthly Rate < \$30 Enter Yes or No	Average Monthly Rate > or = \$30 but < \$40 Enter Yes or No	Average Monthly Rate > or = \$40 but < \$50 Enter Yes or No	Average Monthly Rate > or = \$50 Enter Yes or No				
> or = 256/512								
> or = 512/512								
> or = 768/768								
> or = 1000/1000								

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Project	Number 01	Attach any additional material as: Appendix – PN- followed by Project Number, followed by a sequential appendix number.	
Free access points or accounts provided to communities			
Number of free access points or accounts provided for 2 years to any of the following: public schools, public libraries, public medical clinics, public hospitals, community colleges, public universities, law enforcement agencies, and fire or ambulance stations.			
Start-up costs			
Start-up costs to be Paid by Potential New Subscribers for 256/512 kbps service or minimum service offered			
Project Description (Include as an appendix a map showing the geographical area to be covered by the project.)			
Project Design			
Project Schedule			

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Project	Number 01	Attach any additional material as: Appendix – PN- followed by Project Number, followed by a sequential appendix number.	
Budget Narrative			
Funding Commitments from Other Sources			
Marketing Plan			
Community Support	Indicate whether project has a letter of community support and attach as an appendix to the project.	Enter Yes or No	

Additional Projects – Numbered Sequentially

Project	Number ____	Attach any additional material as: Appendix – PN- followed by Project Number, followed by a sequential appendix number.						
Project Name								
Project Cost								
Total	Amount from Fund	Amount from Applicant	Amount from Other Source 1	Amount from Other Source 2				
This Area for Evaluation Use Only								
DP	PNS	CPPNS	ABS	FAP	SC	LM	CS	IEAC
Number of Potential New Subscribers	Describe the methodology used for determining number							
Affordability – Average monthly service rate for one year following project completion								
Upstream/ Downstream Speed in kilobits per second	Average Monthly Rate < \$30 Enter Yes or No	Average Monthly Rate > or = \$30 but < \$40 Enter Yes or No	Average Monthly Rate > or = \$40 but < \$50 Enter Yes or No	Average Monthly Rate > or = \$50 Enter Yes or No				
> or = 256/512								
> or = 512/512								
> or = 768/768								
> or = 1000/1000								

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Project	Number ____	Attach any additional material as: Appendix – PN- followed by Project Number, followed by a sequential appendix number.
Free access points or accounts provided to communities		
Number of free access points or accounts provided for 2 years to any of the following: public schools, public libraries, public medical clinics, public hospitals, community colleges, public universities, law enforcement agencies, and fire or ambulance stations.		
Start-up costs		
Start-up costs to be Paid by Potential New Subscribers for 256/512 kbps service or minimum service offered		
Project Description <small>(Include as an appendix a map showing the geographical area to be covered by the project.)</small>		
Project Design		
Project Schedule		

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Project	Number ____	Attach any additional material as: Appendix – PN- followed by Project Number, followed by a sequential appendix number.	
Budget Narrative			
Funding Commitments from Other Sources			
Marketing Plan			
Community Support	Indicate whether project has a letter of community support and attach as an appendix to the project.	Enter Yes or No	

**RURAL IDAHO BROADBAND INVESTMENT PROGRAM
-- GRANT AGREEMENT --**

GRANTEE's NAME: _____
GRANTEE's ADDRESS: _____

PROJECT TITLE: _____

AGREEMENT NO.: _____

This Grant Agreement is a contract for the receipt and use of matching funds from the Rural Idaho Broadband Investment Program by _____, ("GRANTEE"), a(n) [insert type of entity and state where organized] that is currently in good standing and authorized to conduct business in the state of Idaho; and the Idaho Department of Commerce and Labor, 317 West Main Street, Boise, Idaho 83735, ("DEPARTMENT").

In consideration of the covenants hereinafter expressed, the parties agree as follows:

1. DESIGNATION OF PROJECT LIAISON. GRANTEE designates _____, to be the liaison administratively responsible for this Agreement. The liaison shall be available to the DEPARTMENT to provide information or discuss matters pertaining to this Agreement. The liaison can be contacted at the following address and telephone number:

Name
Address
Telephone Number

2. GRANTEE'S OBLIGATIONS. GRANTEE shall perform all work that may be reasonably inferred from the terms of this Agreement or its Attachments, whether or not it is specifically described therein.

3. GRANT AWARD. DEPARTMENT shall pay GRANTEE on a cost reimbursement basis up to a maximum of \$_____ for the work performed and the materials provided pursuant to the terms of this Agreement. All work must be complete as billed and GRANTEE shall be liable for any discrepancy in documentation.

All payments to GRANTEE shall be made through warrants issued by the DEPARTMENT after the submission of an expense report and supporting invoices to:

Jay Engstrom
Idaho Department of Commerce and Labor
317 West Main Street
Boise, ID 83735-0620

GRANTEE acknowledges and agrees that it shall have no right to reimbursement for the costs of any work performed or materials provided that do not comply with the requirements of this Agreement. GRANTEE also acknowledges and agrees that it shall have no right to reimbursement for any costs expended on complying work or materials to the extent such costs exceed the maximum amount of the grant awarded under this Agreement.

4. PROJECT SERVICE AREA. Attached hereto as Attachment “A” and incorporated herein is the description of the subscriber service area where broadband services are to be made available by GRANTEE’s Project. The parties understand that technical issues beyond the control of GRANTEE may prevent some individuals or businesses within the project area from receiving broadband services.

5. SCOPE OF WORK AND PROJECT SCHEDULE. Attached hereto as Attachment “B” and incorporated herein is GRANTEE’s Scope of Work and Project Schedule. All project work shall be completed by _____. Projects must actually result in broadband services being offered to potential new rural subscribers as those terms are defined in the Rural Idaho Broadband Investment Program Proposal Submission Guide and must be completed on or before the project completion date.

6. PROJECT BUDGET. Attached hereto as Attachment “C” and incorporated herein is GRANTEE’s Project Budget.

7. RECAPTURE. If GRANTEE fails to deliver broadband services as required by the Scope of Work and Project Schedule in Section 4 of this Agreement to the sole satisfaction of the DEPARTMENT, GRANTEE agrees to repay to the DEPARTMENT all Rural Broadband Development Matching Funds that have been disbursed to GRANTEE and the DEPARTMENT shall be excused from making any further disbursements under this Agreement.

Repayment to the DEPARTMENT shall be made within thirty (30) days of the project completion date referred to in Section 4 of this Agreement. If timely repayment is not made, the DEPARTMENT may commence a civil action to collect the debt and GRANTEE shall be responsible for, and agrees to pay, all costs of collection, including attorney’s fees as noted in Section 15.

8. RECORD KEEPING, AUDIT AND FINAL ACCOUNTING. GRANTEE agrees to maintain books, records, documents, and other evidence of accounting procedures and practices, that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Agreement. The DEPARTMENT shall have the right to access, make copies and audit any of GRANTEE’S books, documents, or records that relate to the performance of this Agreement in such a manner and at all reasonable times as the DEPARTMENT deems appropriate.

GRANTEE agrees to maintain all books, records, and other documents relevant to this Agreement for three (3) years after final payment. It is also agreed that if an audit, litigation or other action involving these records is initiated before the three (3) year period has expired, these records must be retained until all issues arising out of such actions are resolved.

GRANTEE shall submit to the DEPARTMENT a final financial report detailing all costs incurred by the project described in Section 4 of this Agreement no later than fifteen (15) days following the project completion date.

9. SUFFICIENT APPROPRIATIONS. It is understood that the DEPARTMENT is a governmental agency of the State of Idaho and this Agreement shall in no way be construed so as to bind or obligate the State of Idaho beyond the term of any particular appropriation of funds by the State Legislature as may exist from time to time. The DEPARTMENT reserves the right to terminate this Agreement if, in its sole judgment, the Legislature of the State of Idaho does not appropriate sufficient funds for the DEPARTMENT to continue payments under this Agreement.

10. COMPLIANCE WITH LAWS. GRANTEE warrants that in the performance of this Agreement it shall comply with all applicable federal, state, and local laws, ordinances, regulations, directives, and guidelines. In particular, GRANTEE assures the DEPARTMENT that it shall fully comply with all applicable state and federal environmental protection laws and regulations for all work to be performed under the terms of this Agreement. This Agreement shall be governed by and construed under the laws of the State of Idaho and the parties hereto consent to the jurisdiction of the courts of the State of Idaho in the event of any dispute regarding this Agreement, including actions brought to enforce or interpret this Agreement.

11. COVENANT AGAINST CONTINGENT FEES. GRANTEE warrants that no person or agency has been employed or retained to solicit or secure this Agreement for a commission, percentage, brokerage fee, contingent fee, or any other fee, to be paid from funds received under this Agreement or from any other source. For breach of this covenant, DEPARTMENT shall have the right to void this Agreement without liability, or at its discretion, to deduct from the Agreement the cost or consideration, or otherwise recover the full amount of the prohibited fee or commission.

12. AMENDMENTS. This Agreement may be amended at any time by mutual agreement of the parties as evidenced by a written and properly executed amendment. However, in no case shall the nature or purpose of the Scope of Work and Project Schedule in Section 4 of this Agreement be amended from what was generally described in the proposed project application.

13. SEVERABILITY. If any part of this Agreement is declared invalid or becomes inoperative for any reason, such invalidity or failure shall not affect the validity and enforceability of any other provision.

14. RELATIONSHIP OF THE PARTIES. GRANTEE specifically recognizes and acknowledges that nothing contained in this Agreement shall create, or be deemed to create, between GRANTEE and the DEPARTMENT any principal-agent, master-servant, joint venture or employer-employee relationship. GRANTEE is solely responsible for the completion of the project, and agrees to complete the project in accordance with, the terms of this Agreement.

15. INDEMNIFICATION. GRANTEE shall defend, protect, and hold harmless the DEPARTMENT and the State of Idaho, and all officers, employees, and agents thereof, against all claims, suits or actions arising from any act of omission or commission of GRANTEE or any

of its employees or agents while performing any work, services, or activities, or providing any materials relating to or in connection with the performance of this Agreement.

16. ATTORNEY’S FEES. In the event of a legal proceeding of any kind instituted under this Agreement, or to obtain performance of any kind under this Agreement, the prevailing party shall be awarded such additional sums as the court may adjudge for reasonable attorney’s fees and to pay all costs and disbursements incurred in such proceeding.

17. AGREEMENT AND ATTACHMENTS EMBODY ENTIRE AGREEMENT. The parties warrant by their signature that they have read this Agreement and will comply with its requirements and the requirements of the Project Service Area, Scope of Work and Project Schedule which are attached hereto and incorporated herein respectively, as Attachments "A", "B", and "C". This Agreement and Attachments "A", "B", and "C" embody the whole agreement of the parties and there are no other provisions, terms, conditions, or obligations. This Agreement and Attachments "A", "B", and "C" shall supersede all previous communications, representations, or agreements, either verbal or written, between the parties.

APPROVED:

STATE OF IDAHO
Department of Commerce and Labor

[Grantee’s Name]

Roger B. Madsen
Director

[Person Signing for Grantee]
[Title]

Date: _____

Date: _____

Attachment A

PROJECT SERVICE AREA

Attachment B

SCOPE OF WORK AND PROJECT SCHEDULE

Attachment C

PROJECT BUDGET